

PART 1 FOREIGN INFLUENCE

Chapter 7: Ted Sioeng

Ted Sioeng, an Indonesian-born businessman who is not a U.S. citizen or a legal resident, and other members of the Sioeng family, who are U.S. legal permanent residents, contributed to both Republican and Democratic organizations during the 1990s. Sioeng has longstanding relationships with business interests in the People's Republic of China ("PRC") and owns a pro-PRC newspaper in California. The circumstances surrounding the Sioeng family's donations paint a disturbing picture of fundraisers from both political parties assiduously courting an individual (Sioeng) who, because of his status as a foreign national, has no ability to make or direct legal contributions under U.S. election laws.

Ted Sioeng and his family vigorously deny acting on behalf of the Chinese government or pursuant to any plan to illegally influence U.S. elections. Sioeng initially agreed to cooperate with the Committee's investigation of the allegations involving him and his family, and his daughter Jessica Elnitiarta -- a legal permanent resident of the U.S. -- provided a voluntary interview. After apparent leaks to the press of information provided in this interview, however, Sioeng's attorney advised against additional voluntary interviews. When the Committee issued a subpoena for the deposition testimony of Jessica Elnitiarta, her counsel refused to comply, invoking her Fifth Amendment right not to offer self-incriminating testimony. As a result, much of the following information was pieced together from sources other than Sioeng or his family.

Based on the evidence before the Committee, we make the following findings with respect to political contributions from Sioeng and related persons:

FINDINGS

- (1) The evidence before the Committee strongly suggests that Ted Sioeng, a foreign national, was directly or indirectly involved in a number of contributions to Democrats and Republicans.**
- (2) Matt Fong, California State Treasurer, did not exercise appropriate diligence in personally soliciting and receiving \$100,000 in contributions from Sioeng and a \$50,000 contribution to NPF from a Sioeng-owned company. Fong has since returned the \$100,000 he received; NPF has reportedly returned the \$50,000 it received.**
- (3) The evidence before the Committee does not allow for any conclusion as to whether Sioeng served as a conduit for contributions from any foreign government, including the Government of China.**

(4) Sioeng's contributions enabled Sioeng and his associates to gain access to senior figures in both the Democratic and Republican parties, including President Clinton, Vice President Gore, and House Speaker Gingrich.

TED SIOENG'S BACKGROUND

News accounts of the development of Ted Sioeng's far-flung business empire portray him as an entrepreneur who has relied heavily on partnerships with Chinese government-sponsored enterprises and licensure agreements. According to several accounts, Sioeng's first business ventures in the 1960s involved the production of foam rubber in Indonesia.¹ In the early 1970s, as China began to open to outside investment, Sioeng began selling used cigarette-making equipment to tobacco companies in China's Yunnan Province.² Later, Sioeng also sold to China medical, toy, and other manufacturing equipment acquired in the U.S. and Canada.³ In the early 1980s, a Chinese provincial government granted him a license to sell a cigarette brand popular in China, Hongtashan (Red Pagoda), in non-Chinese markets.⁴ Sioeng manufactured the cigarettes in Indonesia and distributed them in Asia and, later, the United States.⁵ Sioeng has also established a joint venture with the Chinese government in Singapore.⁶

In 1987, Sioeng's wife, Sundari Elnitiarta, acquired an immigration visa and moved to Los Angeles with their five children.⁷ One of their daughters, Jessica Elnitiarta, is particularly active in Sioeng's business affairs and is a legal permanent resident of the U.S. Sioeng himself never acquired permanent resident status, although he appears to have spent a substantial amount of time in the United States.⁸ During the 1990s, the Sioeng family created or acquired numerous businesses in the United States, including a part ownership of Grand National Bank in Santa Ana, California, and a real-estate development company, Panda Estate Investments, which owns numerous properties in the Los Angeles area.⁹ In almost all cases, Sioeng has provided his adult children and/or their spouses with the money to purchase these businesses.¹⁰

SIOENG'S CONNECTIONS TO CHINA

Although not an ethnic Chinese, Ted Sioeng was raised in Indonesia by ethnic Chinese parents and is strongly attached to China. "His appearance is not Chinese, but he speaks Chinese, he practices Chinese culture and he most certainly has a Chinese heart," reports Daniel Gu, president of UCLA's 1,000-member Chinese Students and Scholars Association.¹¹ Sioeng readily agrees with this assessment and has been quoted as saying, "I don't have a drop of Chinese blood in me, but I have a Chinese heart."¹²

As Sioeng cultivated his business interests in China during the 1970s and 1980s, he made gifts to Chinese government officials and helped to finance community projects, such as schools.¹³ Many observers have noted that the Chinese government cultivates allies by awarding them lucrative concessions. "China is very good at using people," says one prominent Chinatown businessman in Los Angeles. "They give businessmen some kind of special privilege or business advantage so that these people work for China."¹⁴ Even joint ventures with putatively "private"

enterprises in China raise the specter of government involvement. “You have a situation where public and private investment are not all that clear,” says Benjamin Ellman, professor of Chinese history at UCLA. “There are very, very few purely private enterprises.”¹⁵ Or as another longtime chronicler of the Chinese-American community put it, “Right now it is very hard to say which money is from the government and which money is private.”¹⁶

Capitalizing on his reputation as “a spokesperson for state-enterprise entities from the mainland,” Sioeng has cultivated numerous business partners who have benefited from their relationship with him and his relationship with the People’s Republic of China.¹⁷

Since he began investing in the United States in the late 1980s, Sioeng has emerged as a leader of the Chinese-American community in Los Angeles. He has provided generous financial assistance to the numerous mutual-aid associations that have formed in Los Angeles to assist new Chinese immigrants from the mainland, including the Southern California Cantonese Association, the Southwest China Association of Southern California, and the Southern California Teo-Chew Association.¹⁸ In October 1996, he held a festival in honor of China’s National Day.¹⁹ Sioeng also chaired a made-for-TV event called “Welcome Home Hong Kong Spectacular ‘97,” which was to be broadcast as part of the official handover ceremonies on Hong Kong. To that end, the event was filmed by camera crews from the state-controlled China Central TV.²⁰

In 1995, Sioeng’s daughter, Jessica Elnitiarta, purchased the Monterey Park-based Chinese-language newspaper, the International Daily News. The paper’s ultimate parent company is Sioeng’s Group, a holding company owned by Sioeng’s daughter Jessica Elnitiarta, her four siblings, and their mother, with Elnitiarta holding the largest share.²¹ Elnitiarta is also the sole director and officer of Sioeng’s Group, as well as the sole director of the company that directly owns the paper, Chen International Publications.²² Elnitiarta admits, however, that her father was the one who approached her with the idea of purchasing the newspaper and, as with many of the other businesses owned by the Sioeng family, he transferred the monies used for the purchase from overseas.²³ In addition, Sioeng continues to pour money into the paper to subsidize its unprofitable operations.²⁴

Prior to the purchase by Sioeng’s family, the IDN had offered intermittent support for Taiwan.²⁵ After numerous complaints during the ensuing year from the Chinese Consul General in Los Angeles, Feng Shusen, Sioeng installed a new editor from New York and the paper is now “breathlessly pro-Beijing” with respect to issues like Taiwan and human rights.²⁶ The paper runs releases issued by Beijing’s state-controlled news media and offered “lavish” praise for former Chinese leader Deng Xiaoping upon his death, including the banner headlines: “HEAVEN, EARTH AND MAN GRIEVED TOGETHER”²⁷ and “THE SUCCESS DENG MADE IN CHINA SHOULD BE THE MODEL FOR ALL MANKIND.”²⁸ David Ma, a noted pro-democracy activist in the Los Angeles area, relates that International Daily News reporters were provided with the names of persons to contact for quotes after Deng’s death, and that Ma’s name was left off that list because of his criticisms of the Chinese government.²⁹ The paper has also played up events such as the visit of Chinese Navy vessels to Los Angeles in 1996. Sioeng’s lawyer argues that the switch in editorial philosophy to a more pro-Chinese bent is actually just

good business sense designed to appeal to a growing immigrant Chinese population, but the paper continues to lose substantial sums of money each year.³⁰ Moreover, Sioeng sells only 500-600 cases of cigarettes a year in the United States despite having been one of the International Daily News's biggest advertisers for a number of years.³¹ It seems untenable, therefore, to claim that Sioeng's expenditure of \$3 million to purchase a money-losing newspaper was solely motivated by a desire to facilitate cigarette advertisements.

THE "CHINA PLAN" AND TED SIOENG

During its investigation, the Committee received non-public information regarding a Chinese Government plan to promote the Chinese Government's interest in the United States during the 1996 election cycle.

The China Plan followed China's concerns about signs of Taiwan's successful lobbying of Washington, expressed most visibly in the period when the United States granted permission in June 1995 for the Taiwanese president to enter the country for an informal visit to Cornell University, his alma mater. In response, Chinese officials hoped to advance Chinese interests in the United States by lobbying Congress and increasing contacts with American lawmakers, the media and ethnic Chinese Americans. One aspect of the China Plan included increasing contacts with both Congress and state legislators. Although there was insufficient evidence that the China Plan was implemented by illegal means, some of the non-public information received by the Committee related to Sioeng's activities in the United States. See Chapter 2 of this Minority Report.

According to public information derived from a news article, in late 1994 or early 1995, funds from China were wired to an Asian-owned bank in Los Angeles where the Chinese consulate has its accounts.³² Shortly thereafter, some money was transferred to another tiny Asian-American bank in California, Grand National Bank, where it was deposited into the account of the Hollywood Metropolitan Hotel.³³ The Sioeng family is a part-owner of Grand National Bank and the owner of the hotel.³⁴ These published reports invited intensive scrutiny of the circumstances surrounding the Sioeng family's political contributions.

THE SIOENG FAMILY'S CONTRIBUTIONS TO MATT FONG IN APRIL 1995

Matt Fong, a Republican, is California's State Treasurer and has announced his candidacy for the United States Senate. He voluntarily agreed to be deposed by the Committee concerning contributions he received from the Sioeng family in 1995. Fong first met Sioeng in 1988 at a rally for Julia Wu, the Republican candidate for the Los Angeles Community College's governing body.³⁵ Fong understood Sioeng to be a supporter of Wu and was introduced to Sioeng by Wu herself.³⁶ Over the next few years, Fong encountered Sioeng regularly at various community fundraisers for cultural centers that helped first-generation immigrants.³⁷ According to Fong, Sioeng and his family were generous contributors to these organizations and Sioeng frequently

served as a co-chair or host of these events.³⁸ At these events, Fong also met other members of the Sioeng family, including his sons, daughters, son-in-laws and his wife.³⁹ However, Fong could not recall any names of the Sioeng family besides that of Jessica Elnitiarta, one of Sioeng's daughters.⁴⁰ In 1994, during his campaign for state treasurer, Fong held a \$1,000-per-ticket fundraising event at the Biltmore Hotel in Los Angeles. Jessica Elnitiarta attended the event and donated \$2,000.⁴¹

After Fong's election as state treasurer in the fall of 1994, his campaign had a deficit of approximately \$200,000.⁴² During the last quarter of 1994, Fong received a \$100,000 contribution from the owner of the San Diego Chargers, Alex Spanos, accompanied by a request that Fong use the contribution to "challenge" the Chinese-American community to match it.⁴³ Fong presented this "challenge" directly to Sioeng, among many others, during an event in late 1994 or early 1995.⁴⁴ Significantly, Fong has no recollection of Jessica Elnitiarta being present at the time that this challenge was presented to Sioeng.⁴⁵ In response, Sioeng indicated a willingness to help, but did not commit to any specific dollar amount.⁴⁶

Fong saw Sioeng again during one of the numerous Chinese New Year events in the first quarter of 1995 and reminded him of his previously stated willingness to help. Sioeng again offered a non-specific promise of assistance.⁴⁷ Numerous follow-up phone calls from Fong and Steve Kinney, Fong's "fundraising strategist," secured Sioeng's agreement to make a donation.⁴⁸ Fong made arrangements with Sioeng to visit Sioeng's offices and pick up the check.⁴⁹ Fong testified that Sioeng asked him during this meeting about the legal restrictions on campaign contributions.⁵⁰ Fong informed Sioeng that, under California state law, the contribution had to be from a U.S. citizen, a green-card holder, or a U.S. company with assets generated in the United States.⁵¹ (Fong related that Sioeng or his daughter, Jessica Elnitiarta, had raised these same issues about restrictions on campaign contributions on previous occasions.)⁵² Sioeng then went into another part of his office and returned with a check for \$20,000 in an envelope.⁵³ Sioeng promised Fong at that meeting that "more help will come" and, indeed, a separate check for \$30,000 arrived about a week later.⁵⁴ Contrary to Fong's account, however, recent press reports allege that Sioeng wrote both checks in front of Fong and simply postdated the second check so that he could replenish his account to cover the amount.⁵⁵

Both of these checks, totaling \$50,000, were written from the account of "San Wong Sioeng,"⁵⁶ which is Ted Sioeng's Chinese name. Fong claims that he did not believe that these two contributions came from Ted Sioeng himself, but that they came from either one of his sons or son-in-laws.⁵⁷ Fong explained that in the context of earlier discussions about the rules for raising funds, Sioeng indicated that his daughters and sons owned independent businesses.⁵⁸ When Fong was actually soliciting support from Sioeng, Sioeng remarked that his children "all have companies here and we're all very successful."⁵⁹ Fong also indicated that Sioeng was generally very supportive of his children getting involved in the political arena and making financial contributions.⁶⁰ Based on these statements from Sioeng, Fong claimed it was "always my understanding that the support I was going to be getting was from his family."⁶¹

Fong's attempts to disavow knowledge that Ted Sioeng personally contributed \$50,000 to

him is unpersuasive. Fong personally solicited Ted Sioeng and challenged him -- not his children, only one of whom he could even name -- to match the \$100,000 donation by Spanos. Pursuant to that challenge, Ted Sioeng -- not his children -- promised to assist Fong. Fong admits that Sioeng himself was the subject of follow-up contacts to secure the contribution.⁶² Fong went to Sioeng's offices and was personally handed a check by Sioeng along with a promise that "more help will be coming." The check named only Sioeng as the account holder. In addition, the thank-you letter from Fong's campaign was sent to Ted Sioeng.⁶³ Jessica Elnitiarta told the Committee in her interview that she had no knowledge of either the \$20,000 or \$30,000 contribution at the time they were made.⁶⁴ Indeed, the circumstances so clearly point to Ted Sioeng as the source of these contributions that if, as Fong claims to have believed, the checks were actually from the account of a family member, a reasonable person would question whether Sioeng was directing a family member to make contributions-- a practice prohibited by law.⁶⁵

The \$50,000 in contributions made in April 1995 were, in fact, drawn from the personal account of Ted Sioeng, a non-U.S. citizen who did not have permanent residence status and was, therefore, ineligible to contribute. Again, it is the Minority's view that Fong had every reason to suspect that this was a contribution from an individual not eligible to contribute to his campaign.

THE SOURCE OF SIOENG'S APRIL 1995 CONTRIBUTIONS TO FONG

The public evidence examined by the Committee including Sioeng's banking records, presents evidence that these contributions may have been funneled through Sioeng by persons unknown. On April 28, a check was written from Sioeng's account for \$30,000 payable to Matt Fong.⁶⁶ That same day, a check for \$30,000 from the Grand National Bank account of an individual named Glenville A. Stuart was deposited into Sioeng's account.⁶⁷ A check of publicly available databases indicates that Stuart is the proprietor and sole employee of a small grocery store, Sunset Market and Liquor, in Long Beach, California.⁶⁸ The Committee was unable to uncover additional information concerning Stuart. These circumstances raise concerns about the true source of at least \$30,000 of the \$50,000 donated to Fong by Sioeng.

FONG ARRANGES FOR SIOENG TO MEET SPEAKER GINGRICH

Approximately two months after the April 1995 donations, Fong met Sioeng at another community event.⁶⁹ Fong was scheduled to travel to Washington in mid-July on state treasurer business and asked Sioeng if he would like to meet House Speaker Newt Gingrich.⁷⁰ In response, Sioeng asked Fong: "Who is Speaker Gingrich?"⁷¹ When Fong explained that he was the speaker of the Congress, Sioeng asked: "What's the Congress?"⁷² Notwithstanding Sioeng's apparent lack of knowledge about U.S. politics, Fong reminded Sioeng of his previously stated desires to increase the political involvement of himself and his family and that the Republican Party was trying to reach out to the Asian-American community.⁷³

According to Fong, Sioeng said that he was scheduled to be in New York at around the same time and asked if his son-in-law, who would be traveling with him, could also meet Speaker

Gingrich.⁷⁴ Fong then asked Steve Kinney, his campaign pollster in 1994, to contact Gingrich's office to arrange a meeting.⁷⁵ Kinney had long been Gingrich's top advance person for California and, because of these ties, he served as the primary liaison between Fong and the Speaker's office.⁷⁶ Fong credits Kinney for having him serve on Newt Gingrich's National Strategies Group,⁷⁷ a panel that advises Representative Gingrich on domestic policy.⁷⁸

As described by Fong, the resulting meeting in Representative Gingrich's office on July 12 was brief and inconsequential. Fong and Sioeng were given a tour of the office and Representative Gingrich spoke generally to Sioeng "about empowerment and about getting involved in the community and being Republicans."⁷⁹ The Speaker also posed for photographs with Sioeng.⁸⁰

THE SIOENG FAMILY'S CONTRIBUTION TO THE NATIONAL POLICY FORUM

According to Fong's deposition testimony, shortly after the Gingrich meeting in July 1996, Steve Kinney asked Fong whether the Sioeng family would be interested in supporting any of the Speaker's activities.⁸¹ Fong advised Kinney to go ahead and ask.⁸² Some time later, Fong recalls that Sioeng or Jessica Elnitiarta, he cannot recall which, asked his advice about whether they should support the speaker.⁸³ Fong responded, "The speaker is a friend, and supporting the speaker on my behalf is a good idea."⁸⁴ During her interview with the Committee, Jessica Elnitiarta interpreted this conversation as an actual solicitation by Fong on behalf of the National Policy Forum ("NPF"), a Republican Party think tank. She acknowledged that the suggestion to give to NPF may have come from Kinney.⁸⁵ Fong testified that he did not know until after 1995 that the Sioeng family contributed \$50,000 to the NPF when he read about it in news accounts.⁸⁶ According to later news reports, however, Fong's wife received a 10 percent commission from NPF on the contribution from the Sioeng family, which Fong reported on his 1995 statement of economic interest.⁸⁷ When questioned about NPF, Elnitiarta stated that she didn't care to what "department" the check went, indicating that she viewed it as a donation to the Republican Party.⁸⁸

Also in July 1996, Kinney was organizing a fundraising trip to California by Speaker Gingrich, including a non-fundraising "outreach event" for Asian-Americans at the Beverly Hills Peninsula Hotel.⁸⁹ At Kinney's request, Fong provided a suggested list of "political Asian Republican leaders that should be invited from the community" that included the Sioeng family.⁹⁰ Kinney invited Jessica Elnitiarta "and [her] family."⁹¹ The event was attended by Ted Sioeng, Jessica Elnitiarta, and one of Jessica's sisters.⁹² On July 18, having secured an agreement from Jessica Elnitiarta to contribute to the NPF, Kinney stopped by the Hollywood Metropolitan Hotel (owned by the Sioeng family) to pick up the check, which is dated July 18.⁹³ Elnitiarta provided Kinney with a \$50,000 check from the account of Panda Industries, an export-import business.⁹⁴ Elnitiarta serves as the president of the company, but Ted Sioeng is the sole owner.⁹⁵ The day after this \$50,000 contribution to the NPF, at the "non-fundraising" event organized by Kinney, Sioeng sat next to Gingrich at the Beverly Hills event.⁹⁶ Sioeng's meeting with Speaker Gingrich was described in a story on page one of the China Press, a Chinese language newspaper in

Alhambra, California. The story included two photos of the luncheon, including one showing Sioeng seated next to the Speaker, and related Sioeng's comments at the meeting that "he was very honored to have the opportunity to introduce his family members, as well as other business friends to Gingrich."⁹⁷ Sioeng, whom the China Press article identified as a "consultant" to the Chinese provinces of Jilin and Yunan, also reportedly invited Representative Gingrich to visit those two provinces.⁹⁸

An examination of the bank records underlying the \$50,000 contribution to the NPF raises troubling questions about the actual source of the funds. The day before Jessica Elnitiarta donated \$50,000 to the NPF, the Panda Industries account had a balance of only \$1,300. That same day, Ted Sioeng wrote a check for \$50,000 from his personal account into the account of Panda Industries.⁹⁹ These transfers raise the fair inference that Sioeng both directed and was the real source of the NPF donation.

NPF President John Bolton testified at his deposition that Joseph Gaylord, a fundraiser for Speaker Gingrich who had accompanied him on the California trip, directed that \$5,000 be subtracted from the \$50,000 contribution and paid as a commission to another person whose name Bolton could not recall.¹⁰⁰ Steve Kinney testified that he received a 10 percent commission for the monies he raised for NPF¹⁰¹ and Joseph Gaylord also recalled that Kinney had called him during this time to specifically inquire whether he would receive a 10% commission on contributions he solicited for the NPF.¹⁰² Subsequent press reports, however, indicate that Fong's wife, Paula Fong, also received a 10 percent commission on Elnitiarta's NPF contribution.¹⁰³ Bolton testified that he also asked an NPF employee to question Gaylord about Panda Industries, and that Gaylord responded by describing it as a "Hollywood entertainment company."¹⁰⁴ When asked about this testimony, Gaylord testified that he had no understanding about the nature of Panda Industries and that he had no recollection of being asked by anyone to supply such information.¹⁰⁵ Kinney emphatically denied that Gaylord had ever questioned him about the nature of Panda Industries.¹⁰⁶ These conflicting accounts raise serious questions about the adequacy of NPF's vetting procedures, at the least. Although Kinney testified that he had solicited Elnitiarta for additional contributions besides the one to NPF, his counsel instructed him not to discuss these additional solicitations.¹⁰⁷

THE SIOENG FAMILY'S CONTRIBUTION TO MATT FONG IN DECEMBER 1995

During the remainder of 1995, Fong continued to solicit the Sioeng family whenever he encountered them at community events. Specifically, Fong recalls soliciting both Ted Sioeng and Jessica Elnitiarta at a reception in Pasadena, California.¹⁰⁸ Shortly before a badminton tournament co-sponsored by the Sioeng family, Jessica Elnitiarta contacted Fong and requested a congratulatory letter from Speaker Gingrich.¹⁰⁹ Fong contacted Kinney, who was able to secure the requested congratulatory letter from the speaker within a tight deadline.¹¹⁰ Fong attended the tournament, saw the Sioeng family there and again solicited them for additional contributions.¹¹¹ Subsequently, Fong received a check for \$50,000, dated December 14, 1995, from the account of Panda Estates Investment, Inc., a real estate development company owned by the Sioeng

family.¹¹² Fong denies any connection between the congratulatory letter and the subsequent donation from the Sioeng family,¹¹³ but Jessica Elnitiarta told Committee staff that she gave the \$50,000 “in appreciation” for the letter.¹¹⁴

Again, the bank records underlying this donation raise troubling questions. On the day that Elnitiarta wrote this \$50,000 check to Matt Fong, there was only \$14,000 in the Panda Estates Investments bank account.¹¹⁵ Four days later the December 14 check cleared, presumably producing an overdraft in the account.¹¹⁶ The following day, December 19, Elnitiarta’s aunt, Yanti Ardi, made a telephone transfer of \$50,000 from her personal account into the Panda Estate Investments account.¹¹⁷ For her part, Yanti Ardi, a non-citizen living in the Los Angeles area, would not have had sufficient funds to transfer the \$50,000 to the Panda Estate Investments account but for a December 11 wire transfer from Pristine Investments Ltd of Hong Kong, a wholesale clothing company with uncertain ties to Sioeng’s business empire.¹¹⁸ Between September 5, 1995 and January 6, 1996, Yanti Ardi received approximately \$2.6 million in wire transfers from Pristine Investments.¹¹⁹ Sioeng’s attorneys refused to answer questions about Pristine or other companies in Asia that made large transfers to Sioeng-related accounts.¹²⁰

In April 1997, articles appeared in Newsweek and the Los Angeles Times that raised questions about the source of the Sioeng family contributions to Fong. In response to these articles, Fong’s campaign organization wrote letters addressed to Sioeng and “San Wong Sioeng” insisting on verification within 24 hours “of the fact that these contributions were made with your personal funds and not those of any other person or entity.”¹²¹ Upon receiving no reply to these letters within the prescribed time period, Fong returned a total of \$100,000 in contributions from the Sioeng family. At no time since has Fong received any information from any member of the Sioeng family concerning the source of those contributions.¹²²

JESSICA ELNITIARTA’S CONTRIBUTIONS TO THE DNC

In 1996, Jessica Elnitiarta contributed a total of \$250,000 to the Democratic National Committee and attended several DNC-sponsored events. These contributions appear to have been arranged by John Huang, who first met Sioeng and Elnitiarta in 1995 at a Chinese community event.¹²³ The available information concerning these donations is sketchy and further investigation by other entities may be appropriate.

The Hay Adams Fundraiser

According to Elnitiarta, Huang telephoned her in January 1996 regarding a Chinese New Year event, the Asia-Pacific American Leadership Council Dinner, being sponsored by the DNC in Washington, D.C., at the Hay Adams Hotel. Elnitiarta invited her father, Sioeng, on her own and is not aware of any conversations between Huang and Sioeng regarding this event.¹²⁴ On February 10, 1996, Elnitiarta wrote a check for \$100,000 from her personal account to the DNC in order to secure eight seats at the event, which were priced at \$12,500 each.¹²⁵ At that time, Elnitiarta’s account had a balance of approximately \$10,000. On February 22, \$200,000 was

transferred into Elnitiarta's account from Yanti Ardi's account.¹²⁶ Ardi's account, in turn, had received a wire transfer of over \$500,000 from the Hong Kong bank account of Pristine Investments Ltd. on February 12, 1996.¹²⁷ Prior to that transfer, Ardi's account held only approximately \$3,000.¹²⁸ Unlike the \$30,000 donation to Matt Fong and the \$50,000 donation to the NPF, however, these transfers are not in the same amount of the contributions, do not occur as closely in time to the contribution, and Elnitiarta herself (who holds a power of attorney over Ardi's account) most probably effecuated the transfer from Ardi's account to her own. These transfers, therefore, are not as strongly suggestive of contributions in the name of another. Elnitiarta invited her father, her sister Sandra Elnitiarta, Sandra's husband, Didi Kurniawan; her brother, Yopi Gatot Elnitiarta; and two of Sioeng's business associates.¹²⁹ Elnitiarta and her husband were also planning to attend, but did not due to their son's unexpected illness.¹³⁰

Hsi Lai Buddhist Temple Event

Huang invited Elnitiarta to the Hsi Lai Buddhist Temple event held in Hacienda Heights, California, on April 29, 1996. (See Chapter 21.) Elnitiarta claims he invited her because she had missed the Hay Adams event due to her son's illness.¹³¹ Elnitiarta explained to Committee staff that one of her sisters, Laureen Elnitiarta, is a Buddhist and wanted to attend the event for that reason.¹³² Elnitiarta attended the event with her sister, Laureen, Sioeng and his wife, and another family member, Sioeng Fei Man.¹³³ Sioeng sat with Vice President Gore during the event.¹³⁴ The Sioengs were not solicited for a contribution in connection with this event and did not make one.¹³⁵

Sheraton Carlton Hotel Event

Elnitiarta was contacted again by Huang and invited to attend an event in May 1996 at the Sheraton Carlton Hotel in Washington, D.C.¹³⁶ She, in turn, invited her father and five others to the event.¹³⁷ In a fax to "Uncle Huang," Elnitiarta informed John Huang that in addition to her father, six other Chinese executives would come to the dinner. One was Guo Zhong Jian, an officer of the China Construction Bank. One of four major banks run by Beijing, China Construction last September became the first Chinese bank since the laws were tightened after the BCCI scandal in 1991 to win a federal license to do business in the U.S.¹³⁸

Elnitiarta made no contributions at the event, but Huang told her that he would collect a contribution check from her the next time he was in Los Angeles.¹³⁹ On July 12, Elnitiarta wrote a \$100,000 check to the DNC from the account of her real estate company, Panda Estates Investment, Inc.¹⁴⁰ This is the same account used by Elnitiarta for her December 1995 contribution of \$50,000 to Matt Fong.¹⁴¹ At the time the check was cashed, the Panda Estates Investment account had a small negative balance.¹⁴² The monies used to cover this check came from Panda Estates domestic rental income and Elnitiarta's transfer of \$60,000 from Ardi's account on July 26, 1996.¹⁴³ Ardi's account, in turn, could not have financed the \$60,000 transfer without the benefit of a deposit of approximately \$1.6 million from the Hong Kong account of R.T. Enterprises, Ltd. -- another business with ties to Sioeng. In addition, Panda Estates

Investment, Inc. appears to have generated sufficient domestic revenues to cover the political contributions drawn from that account. The Minority's examination of the bank records of Panda Estates Investment, Inc., shows that the company enjoyed a rental income of over \$900,000 from approximately mid-1995 through 1996. Nevertheless, the Committee was unable to satisfactorily resolve the ultimate question of what role, if any, was played by Sioeng himself in directing the contribution.

Century City Event and Subsequent \$50,000 Contribution

As with the previous fundraisers, Elnitiarta was contacted by Huang about attending a DNC dinner to be held in the Century City area of Los Angeles on July 22.¹⁴⁴ Elnitiarta brought her father, and Sioeng brought a business partner from Hong Kong, Lam Kwok Man.¹⁴⁵ Sioeng was seated at the head table next to President Clinton at the event.¹⁴⁶ At Huang's urging, Elnitiarta also agreed to be responsible for filling an additional five to six tables.¹⁴⁷ These additional invitees did not pay for their seats.¹⁴⁸ According to Elnitiarta, Huang did not press her for a contribution at the time of the event.¹⁴⁹ On July 29, Elnitiarta wrote a check to the DNC for \$50,000 from the same Panda Estates Investment account that had funded her July 12 DNC contribution.¹⁵⁰ At this time, the Panda Estates Investment account did not contain sufficient funds to cover the contribution.¹⁵¹ However, on August 1 and August 6, Elnitiarta made transfers totaling \$47,000 from a different account maintained by Panda Estate Investment, indicating that Panda Estates Investment had sufficient funds to cover the contribution.¹⁵² The FBI agent assigned to analyze the Sioeng bank records concluded that all of the transfers from Panda Estates Investment's other account was "supported by normal account activity" except for the \$60,000 transfer from Yanti Ardi's account discussed above.¹⁵³

Huang's internal documents link this \$50,000 donation from Panda Estates to a small fundraiser held on July 30, 1996, at the Jefferson Hotel in Washington, D.C. that featured President Clinton and was attended by the following individuals: James Riady; Taiwanese businessman Eugene T.C. Wu, chairman of the Shin Kong Group, a conglomerate that includes Taiwan's second-largest life insurance company; James J.S. Lin, a Taiwan businessman and associate of Wu's; and Sen Jong ("Ken") Hsui, the president of Prince Motors Co. in Taipei and a U.S. citizen.¹⁵⁴ Each of these attendees also brought their wives and children.¹⁵⁵ **DNC officials projected that the dinner would raise \$500,000, but of the attendees, only Hsui was legally permitted to make donations.**¹⁵⁶ According to Huang's records, Hsui contributed only \$150,000 and the remaining amount was credited to individuals who had not attended the event, including Elnitiarta's \$50,000 donation from the Panda Estates account and an August 2 donation of \$131,000 from Laurie M. Jonsson, the president of a Seattle shipping company.¹⁵⁷ When interviewed, Jonsson disavowed any knowledge of Huang or the Jefferson Hotel dinner and said she gave \$100,000 to become a designated trustee of the DNC's Women's Leadership Forum and the other \$31,000 for general purposes.¹⁵⁸ Elnitiarta also stated that she had no knowledge of the Jefferson Hotel event.¹⁵⁹ It appears to the Minority that, for reasons unknown, Huang was crediting unrelated contributions from some donors to the Jefferson Hotel event.

CONCLUSION

The Committee found clear evidence that Sioeng, a foreign national, contributed to Republican California State Treasurer Matt Fong, who returned the contributions two years later. The Committee also found evidence that suggests that Sioeng may have participated in directing political contributions made by his daughter Elnitiarta to both the National Policy Forum and the Democratic National Committee, although it was unable to reach any definitive conclusions on this issue. In addition, our examination of the bank records surrounding the contributions to both Fong and the NPF has raised serious questions about the ultimate source of the contributions made in those instances. The Minority believes that further investigation by law enforcement authorities into these issues is clearly warranted.

Regardless of the source of the contributions, the contributions by the Sioeng family present a stark picture of how quickly substantial contributions can be translated into personal access to elected policy makers. The Committee found no evidence, however, that any member of the Sioeng family sought to exploit the access they were afforded to lobby on any particular issue or to receive any favor other than pro forma letters of support or congratulations.

1. Business Week, 8/11/97.
2. Business Week, 8/11/97.
3. Business Week, 8/11/97.
4. Los Angeles Times, 5/18/97.
5. Los Angeles Times, 5/18/97.
6. Los Angeles Times, 5/18/97.
7. Business Week, 8/11/97.
8. INS records.
9. Business Week, 8/11/97.
10. Staff interview with Jessica Elnitiarta, 6/19/97.
11. Los Angeles Times, 5/18/97.
12. Los Angeles Times, 5/18/97.
13. Los Angeles Times, 5/18/97.
14. LA Weekly, 7/4/97.
15. LA Weekly, 7/4/97.
16. LA Weekly, 7/4/97.
17. LA Weekly, 7/4/97 (quoting Anthony Chieng, a “prominent Chinese-American attorney.”)
18. LA Weekly, 7/4/97.
19. Newsweek, 4/28/97.
20. Newsweek, 4/28/97.
21. Staff interview with Jessica Elnitiarta, 6/19/97.
22. Letter from Thomas P. McLish, counsel for Elnitiarta, to Majority counsel-Special Investigation, 6/18/97.

23. Staff interview with Jessica Elnitiarta, 6/19/97; Letter from Thomas P. McLish, counsel for Elnitiarta, to Majority counsel-Special Investigation, 6/18/97.
24. Letter from Thomas P. McLish, counsel for Elnitiarta, to Majority counsel-Special Investigation, 6/18/97.
25. Los Angeles Times, 5/18/97.
26. LA Weekly, 7/4/97; Newsweek, 4/28/97; Newsweek, 6/9/97.
27. Business Week, 8/11/97; Newsweek, 3/10/97.
28. Newsweek, 4/28/97.
29. Interview with David Ma, 8/24/97.
30. Los Angeles Times, 5/18/97.
31. Interview by FBI detailee with Nancy La, 5/25/97; letter from Thomas P. McLish, counsel for Elnitiarta, to Majority counsel-Special Investigation, 6/18/97.
32. Newsweek, 4/28/97.
33. Newsweek, 4/28/97.
34. Newsweek, 4/28/97.
35. Matt Fong deposition, 9/19/97, pp. 7-8.
36. Matt Fong deposition, 9/19/97, p. 8.
37. Matt Fong deposition, 9/19/97, pp. 8-9.
38. Matt Fong deposition, 9/19/97, pp. 8-9.
39. Matt Fong deposition, 9/19/97, p. 9.
40. Matt Fong deposition, 9/19/97, p. 10.
41. Matt Fong deposition, 9/19/97, pp. 14-15.
42. Matt Fong deposition, 9/19/97, p. 25.
43. Matt Fong deposition, 9/19/97, p. 29.
44. Matt Fong deposition, 9/19/97, p. 29.

45. Matt Fong deposition, 9/19/97, p. 36.
46. Matt Fong deposition, 9/19/97, p. 30.
47. Matt Fong deposition, 9/19/97, pp. 30-31.
48. Matt Fong deposition, 9/19/97, p. 54.
49. Matt Fong deposition, 9/19/97, p. 33.
50. Matt Fong deposition, 9/19/97, pp. 34-35.
51. Matt Fong deposition, 9/19/97, p. 34.
52. Matt Fong deposition, 9/19/97, p. 53.
53. Matt Fong deposition, 9/19/97, p. 36.
54. Matt Fong deposition, 9/19/97, pp. 35-37.
55. Los Angeles Times, 2/26/98.
56. Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Mr. San Wong Sioeng, requesting information on legality of contributions, 4/21/97 (copies of contribution checks dated 4/20/95 and 4/28/95 attached); Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Panda Estates Investment, Inc., requesting information on legality of contributions, 4/21/97 (copy of contribution check dated 12/14/95 attached).
57. Matt Fong deposition, 9/19/97, p. 23.
58. Matt Fong deposition, 9/19/97, pp. 38-39.
59. Matt Fong deposition, 9/19/97, p. 39.
60. Matt Fong deposition, 9/19/97, p. 39.
61. Matt Fong deposition, 9/19/97, p. 39.
62. Matt Fong deposition, 9/19/97, p. 33.
63. Matt Fong deposition, 9/19/97, p. 23.
64. Staff interview with Jessica Elnitiarta, 6/19/97.
65. 2 U.S.C. § 441(e) (prohibiting a foreign national from participating directly or indirectly in a contribution decision).

66. Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Mr. San Wong Sioeng, requesting information on legality of contributions, 4/21/97 (copies of contribution checks dated 4/20/95 and 4/28/95 attached).
67. Check from Glenville A. Stuart to Sioeng San Wong for \$30,000, 4/28/95, and Grand National Bank miscellaneous credit slip acknowledging deposit. [GNB 1280500063]
68. Report from Dun's Market Identifiers on "Sunset Market and Liquor."
69. Matt Fong deposition, 9/19/97, p. 44.
70. Matt Fong deposition, 9/19/97, pp. 44-45.
71. Matt Fong deposition, 9/19/97, p. 45.
72. Matt Fong deposition, 9/19/97, p. 45.
73. Matt Fong deposition, 9/19/97, p. 45.
74. Matt Fong deposition, 9/19/97, p. 45.
75. Matt Fong deposition, 9/19/97, p. 49.
76. Matt Fong deposition, 9/19/97, p. 47.
77. Matt Fong deposition, 9/19/97, p. 47.
78. Los Angeles Times, 4/22/97.
79. Matt Fong deposition, 9/19/97, p. 48.
80. Matt Fong deposition, 9/19/97, p. 48.
81. Matt Fong deposition, 9/19/97, p. 50.
82. Matt Fong deposition, 9/19/97, p. 50.
83. Matt Fong deposition, 9/19/97, p. 55.
84. Matt Fong deposition, 9/19/97, p. 55.
85. Staff interview with Jessica Elnitiarta, 6/19/97.
86. Matt Fong deposition, 9/19/97, pp. 49, 54-55.
87. Los Angeles Times, 2/25/98.

88. Staff interview with Jessica Elnitiarta, 6/19/97.
89. Matt Fong deposition, 9/19/97, p. 50; Steve Kinney deposition, 9/23/97, p. 11.
90. Matt Fong deposition, 9/19/97, p. 51.
91. Steve Kinney deposition, 9/23/97, p. 19.
92. Steve Kinney deposition, 9/23/97, p. 19.
93. Los Angeles Times, 7/4/97.
94. Staff interview with Jessica Elnitiarta, 6/19/97; letter from Thomas P. McLish, counsel for Elnitiarta, to Majority counsel-Special Investigation, 6/18/97.
95. Staff interview with Jessica Elnitiarta, 6/19/97; letter from Thomas P. McLish, counsel for Elnitiarta, to Majority counsel-Special Investigation, 6/18/97..
96. Memorandum from Steven E. Hendershot, FBI agent, to Senate Investigating Team re: "China Press newspaper article of 7/22/95," 7/23/97.
97. Memorandum from Steven E. Hendershot, FBI agent, to Senate Investigating Team re: "China Press newspaper article of 7/22/95," 7/23/97.
98. Memorandum from Steven E. Hendershot, FBI agent, to Senate Investigating Team re: "China Press newspaper article of 7/22/95," 7/23/97.
99. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.
100. John Bolton deposition, 7/10/97, pp. 66-67.
101. Stephen M. Kinney deposition, 9/23/97, pp. 22-23.
102. Joseph Robert Gaylord deposition, 9/16/97, p. 35.
103. Los Angeles Times, 2/25/98.
104. John Bolton deposition, 7/10/97, pp. 67-68.
105. Joseph Robert Gaylord deposition, 9/16/97, pp. 42-44.
106. Stephen M. Kinney deposition, 9/23/97, p. 23.
107. Stephen M. Kinney deposition, 9/23/97, p. 26.
108. Matt Fong deposition, 9/19/97, pp. 60-61.

109. Matt Fong deposition, 9/19/97, p. 62.
110. Matt Fong deposition, 9/19/97, pp. 62-63.
111. Matt Fong deposition, 9/19/97, pp. 61-62.
112. Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Mr. San Wong Sioeng, requesting information on legality of contributions, 4/21/97 (copies of contribution checks dated 4/20/95 and 4/28/95 attached); Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Panda Estates Investment, Inc., requesting information on legality of contributions, 4/21/97 (copy of contribution check dated 12/14/95 attached).
113. Matt Fong deposition, 9/19/97, p. 63.
114. Staff interview with Jessica Elnitiarta, 6/19/97.
115. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.
116. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.
117. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.
118. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.
119. Wire of \$1 million to Yanti Ardi GNB account no. 240417614 from Pristine Investments Ltd., 9/5/95 [GNB 002970-2972]; Wire of \$928,432.17 to Yanti Ardi's GNB acct no. 240417614 from Pristine Investments Ltd. [GNB 003000]; Wire of \$150,000 to Yanti Ardi's GNB acct no. 240979814, 12/11/95 [GNB 002888 & 002890]; Wire of \$595,283.35 to Yanti Ardi's GNB acct no. 240417614, 1/3/96 [GNB 003030].
120. In addition to the monies received from the Sioeng family, published reports indicate that Fong received at least \$24,000 from sources suspected of channeling contributions to the DNC. Los Angeles Times, 4/22/97. In 1995, for example, records show that Fong received \$4,000 from two officers of the Lippo Group that were arranged by John Huang. Los Angeles Times, 4/22/97. Fong acknowledges asking Huang for help during his campaigns for treasurer and for controller and while he served on the Board of Equalization, but denies that he asked Huang for any assistance since the 1994 election cycle. Matt Fong deposition, 9/19/97, p. 68.
121. Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Mr. San Wong Sioeng, requesting information on legality of contributions, 4/21/97

(copies of contribution checks dated 4/20/95 and 4/28/95 attached); Letter from William R. Turner, Treasurer, Matt Fong for State Treasurer, to Mr. Ted Sioeng, Panda Estates Investment, Inc., requesting information on legality of contributions, 4/21/97 (copy of contribution check dated 12/14/95 attached).

122. Matt Fong deposition, 9/19/97, pp. 66-67.

123. Staff interview with Jessica Elnitiarta, 6/19/97.

124. Staff interview with Jessica Elnitiarta, 6/19/97.

125. Staff interview with Jessica Elnitiarta, 6/19/97; Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.

126. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.

127. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.

128. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: "Jessica Elnitiarta Record Review," 8/22/97.

129. Staff interview with Jessica Elnitiarta, 6/19/97.

130. Staff interview with Jessica Elnitiarta, 6/19/97.

131. Staff interview with Jessica Elnitiarta, 6/19/97.

132. Staff interview with Jessica Elnitiarta, 6/19/97.

133. Staff interview with Jessica Elnitiarta, 6/19/97.

134. Staff interview with Jessica Elnitiarta, 6/19/97.

135. Staff interview with Jessica Elnitiarta, 6/19/97.

136. Staff interview with Jessica Elnitiarta, 6/19/97.

137. Staff interview with Jessica Elnitiarta, 6/19/97; Los Angeles Times, 7/4/97.

138. Newsweek, 3/10/97.

139. Staff interview with Jessica Elnitiarta, 6/19/97.

140. Staff interview with Jessica Elnitiarta, 6/19/97.

141. Staff interview with Jessica Elnitiarta, 6/19/97.
142. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: “Jessica Elnitiarta Record Review,” 8/22/97.
143. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: “Jessica Elnitiarta Record Review,” 8/22/97.
144. Staff interview with Jessica Elnitiarta, 6/19/97.
145. Staff interview with Jessica Elnitiarta, 6/19/97.
146. Los Angeles Times, 7/4/97.
147. Staff interview with Jessica Elnitiarta, 6/19/97.
148. Staff interview with Jessica Elnitiarta, 6/19/97.
149. Staff interview with Jessica Elnitiarta, 6/19/97.
150. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: “Jessica Elnitiarta Record Review,” 8/22/97.
151. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: “Jessica Elnitiarta Record Review,” 8/22/97.
152. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: “Jessica Elnitiarta Record Review,” 8/22/97.
153. Memorandum from Steven E. Hendershot, FBI agent, to Minority Counsel, re: “Jessica Elnitiarta Record Review,” 8/22/97.
154. POTUS Dinner July 30 Attendees [DNC 000597]; Los Angeles Times, 2/7/97.
155. POTUS Dinner July 30 Attendees [DNC 000597]; Los Angeles Times, 2/7/97.
156. Los Angeles Times, 2/7/97.
157. Los Angeles Times, 2/7/97.
158. Los Angeles Times, 2/7/97.
159. Staff interview with Jessica Elnitiarta, 6/19/97.